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## <u>VETO MESSAGE FROM THE</u> <u>GOVERNOR OF THE COMMONWEALTH OF KENTUCKY</u> REGARDING HOUSE BILL 594 OF THE 2022 REGULAR SESSION

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:

House Bill 594 of the 2022 Regular Session of the General Assembly in its entirety.

House Bill 594 requires executive branch agencies to consider the costs to be incurred by regulated entities with the issuance of any proposed administrative regulation, including any emergency administrative regulation. In doing so, the General Assembly places a standard on administrative regulations that it does not meet itself in the passage of laws. Indeed, on the same day it delivered House Bill 594 to my office, the General Assembly delivered House Bill 7, a bill implementing measures to make it harder to obtain and keep food and medical assistance provided through SNAP and Medicaid, without any fiscal note from the Legislative Research Commission ("LRC") addressing the costs or loss of federal funds under that bill. The LRC failed to seek a fiscal note even though, according to the Cabinet for Health and Family Services, House Bill 7 would cost an estimated \$535 million, including the loss of \$104 million in federal funds. Instead, the LRC only filed a Local Government Mandate Statement related to local jails.

Thus, while the General Assembly has enacted, and can continue to enact, laws requiring the adoption of administrative regulations to carry out their intent without considering the costs incurred by the regulated entities, executive branch agencies must now make the difficult assessment of the costs incurred by regulated entities and consider them with any promulgated regulation. The General Assembly demands this difficult task of others, rather than itself, for no discernable benefit to the Commonwealth. Indeed, House Bill 594 lacks any requirement of a cost-benefit analysis that could justify the costs incurred by regulated entities. Moreover, KRS Chapter 13A already provides for notice and public comment from regulated entities to address potential incurred costs.

The General Assembly is the only body that benefits from House Bill 594. It demands more of an administrative regulation than it did for the law enabling the regulation, while preserving its right to critique the costs incurred by regulated entities and disregard benefits to the Commonwealth.



This, the 8<sup>th</sup> day of April, 2022.

Andy Besnez

Governor